



Senate

General Assembly

February Session, 2004

File No. 345

Senate Bill No. 571

Senate, March 30, 2004

The Committee on Government Administration and Elections reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING DATA USED TO DEVELOP THE ANNUAL
PUBLIC INVESTMENT COMMUNITY INDEX.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-545 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) As used in this section: [and section 7-546:]

4 (1) "Secretary" means the Secretary of the Office of Policy and
5 Management;

6 (2) "Municipality" means any town, consolidated town and city or
7 consolidated town and borough;

8 (3) "Per capita income" [and "population"] for each town means that
9 enumerated in the most recent federal decennial census of population
10 [or that enumerated in the current population report series] issued by

11 the United States Department of Commerce, Bureau of the Census, or
12 that enumerated in an annual report that is designated in regulations
13 that the secretary may adopt in accordance with chapter 54, whichever
14 is more recent and available on [January] July first of the fiscal year
15 [three years prior to the fiscal year] in which [payment] the eligibility
16 index is to be [made] prepared pursuant to this section;

17 (4) "Population" for each town means that enumerated in the most
18 recent federal decennial census of population issued by the United
19 States Department of Commerce, Bureau of the Census, or the number
20 of people according to the most recent estimate of the Department of
21 Public Health, made pursuant to section 19a-2a, as amended,
22 whichever is more recent and available on July first of the fiscal year in
23 which the eligibility index is to be prepared pursuant to this section;

24 [(4)] (5) "Adjusted equalized net grand list per capita" means the
25 most recent adjusted equalized net grand list per capita determined for
26 each town pursuant to section 10-261, as amended;

27 [(5)] (6) "Equalized mill rate" means the tax rate derived from the
28 most recent available grand levy of a town divided by the equalized
29 net grand list on which such levy is based as determined by the
30 secretary in accordance with section 10-261a, as amended;

31 [(6)] (7) "Per capita temporary family assistance" means the number
32 obtained by adding together the unduplicated aggregate number of
33 children eligible to receive benefits by town under the temporary
34 family assistance program in October and May of each fiscal year, and
35 dividing by two, such number to be certified and submitted annually,
36 no later than the first day of July of the succeeding fiscal year, to the
37 secretary by the Commissioner of Social Services. Such number shall
38 be expressed as a percentage of the population of a town;

39 [(7)] (8) "Unemployment rate" means the average unemployment
40 rate of a town as reported by the Labor Commissioner on the first day
41 of July for the latest available twelve-month period;

42 [(8)] (9) "Eligibility index" is a measure of local burden determined
43 by calculating a town's disparity in relation to all municipalities. Points
44 shall be allocated for each of the following factors: (A) Per capita
45 income, (B) adjusted equalized net grand list per capita, (C) equalized
46 mill rate, (D) per capita temporary family assistance, and (E)
47 unemployment rate. For each factor the variance shall be the difference
48 between the first percentile and the one-hundredth percentile town
49 factors. In calculating the eligibility index for unemployment rate, per
50 capita temporary family assistance and equalized mill rate, the factor
51 for the first percentile town shall be subtracted from the factor for the
52 town and the result divided by the variance and multiplied by one
53 hundred. In calculating the eligibility index for per capita income and
54 adjusted equalized net grand list per capita, the factor for the first
55 percentile town shall be subtracted from the factor for the town and
56 the result shall be divided by the variance and multiplied by one
57 hundred. The product of such multiplication shall then be subtracted
58 from one hundred. The index points for all factors shall be totalled by
59 town resulting in the overall eligibility index. The eligibility index
60 listing shall be ranked for all towns from highest to lowest points
61 according to need;

62 [(9)] (10) "Public investment communities" are municipalities
63 requiring financial assistance to offset their service burdens with
64 eligibility defined as one which is in the top quartile of the "eligibility
65 index" scale;

66 [(10)] (11) "Grand levy" means the mill rate of the town multiplied
67 by the net taxable grand list of the town and includes the value of
68 special service districts if such districts contain fifty per cent or more of
69 the value of total taxable property within the town.

70 (b) On or before [July 15, 1994, and annually thereafter] July
71 fifteenth of each year, the secretary shall prepare the eligibility index
72 for Connecticut municipalities.

73 Sec. 2. Subsection (c) of section 4-66c of the general statutes is
74 repealed and the following is substituted in lieu thereof (*Effective July*

75 1, 2004):

76 (c) Any proceeds from the sale of bonds authorized pursuant to
77 subsections (a) and (b) of this section or of temporary notes issued in
78 anticipation of the moneys to be derived from the sale of such bonds
79 may be used to fund grants-in-aid to municipalities or the grant-in-aid
80 programs of said departments, including, but not limited to, financial
81 assistance and expenses authorized under chapters 128, 129, 130, 133,
82 136 and 298, and section 16a-40a, provided any such program shall be
83 implemented in an eligible municipality or is for projects in other
84 municipalities which the State Bond Commission determines will help
85 to meet the goals set forth in section 4-66b. For the purposes of this
86 section, "eligible municipality" means a municipality which is
87 economically distressed within the meaning of subsection (b) of section
88 32-9p, which is classified as an urban center in any plan adopted by the
89 General Assembly pursuant to section 16a-30, which is classified as a
90 public investment community within the meaning of [subdivision (9)
91 of] subsection (a) of section 7-545, as amended by this act, or in which
92 the State Bond Commission determines that the project in question will
93 help meet the goals set forth in section 4-66b.

94 Sec. 3. Subsection (b) of section 4-66g of the general statutes is
95 repealed and the following is substituted in lieu thereof (*Effective July*
96 *1, 2004*):

97 (b) The proceeds of the sale of said bonds, to the extent of the
98 amount stated in subsection (a) of this section, shall be used by the
99 Office of Policy and Management for a Small Town Economic
100 Assistance Program the purpose of which shall be to provide grants-
101 in-aid to any municipality which (1) is not economically distressed
102 within the meaning of subsection (b) of section 32-9p, does not have an
103 urban center in any plan adopted by the General Assembly pursuant
104 to section 16a-30 and is not a public investment community within the
105 meaning of [subdivision (9) of] subsection (a) of section 7-545, as
106 amended by this act, and (2) has a population, as defined in
107 subdivision (27) of section 10-262f, as amended, under thirty thousand.

108 Such grants shall be used for purposes for which funds would be
109 available under section 4-66c. No municipality may receive more than
110 five hundred thousand dollars in any one fiscal year under said
111 program.

112 Sec. 4. Subsection (a) of section 19a-17m of the general statutes is
113 repealed and the following is substituted in lieu thereof (*Effective July*
114 *1, 2004*):

115 (a) The Department of Public Health shall, within available
116 appropriations, establish a program to purchase and maintain
117 malpractice liability insurance for the following professionals and
118 retired professionals who have been licensed by the state of
119 Connecticut for a minimum of one year, whose licenses are in good
120 standing and who provide primary health care services at community
121 health centers and at other locations authorized by the department:
122 Physicians, dentists, chiropractors, optometrists, podiatrists,
123 natureopaths, psychologists, dental hygienists, physicians assistants
124 and nurse practitioners. The following conditions shall apply to the
125 program:

126 (1) Primary health care services shall only be provided at
127 community health centers or at other locations as determined by the
128 department, located in public investment communities, as defined in
129 [subdivision (9) of] subsection (a) of section 7-545, as amended by this
130 act;

131 (2) Primary health care services provided shall be offered to low-
132 income patients based on their ability to pay;

133 (3) Professionals providing health care services shall not receive
134 compensation for their services;

135 (4) Professionals must provide not less than one hundred fifty hours
136 per year of such primary health care services; and

137 (5) The department shall contract with a liability insurer authorized
138 to offer malpractice liability insurance in this state or with the

139 Connecticut Primary Care Association or other eligible primary health
140 care providers to purchase insurance for professionals working in
141 primary health care settings. The Connecticut Primary Care
142 Association may subcontract with community health centers to
143 purchase malpractice liability insurance for eligible professionals
144 providing primary care services at the community health centers.
145 Liability insurance shall be purchased only from a provider authorized
146 to offer malpractice liability insurance in this state.

147 Sec. 5. (*Effective July 1, 2004*) Section 7-546 of the general statutes is
148 repealed.

| | |
|--|---------------------|
| This act shall take effect as follows: | |
| Section 1 | <i>July 1, 2004</i> |
| Sec. 2 | <i>July 1, 2004</i> |
| Sec. 3 | <i>July 1, 2004</i> |
| Sec. 4 | <i>July 1, 2004</i> |
| Sec. 5 | <i>July 1, 2004</i> |

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

| Municipalities | Effect |
|------------------------|---------------|
| Various Municipalities | See Below |

Explanation

Since the Public Investment Community (PIC) index is used to determine towns' eligibility for state programs, changing the way the index is calculated may change which towns are designated as PICs and thus which ones are eligible to participate in state programs.

OLR Bill Analysis

SB 571

***AN ACT CONCERNING DATA USED TO DEVELOP THE ANNUAL
PUBLIC INVESTMENT COMMUNITY INDEX*****SUMMARY:**

This bill requires the Office of Policy and Management (OPM) to use more recent data in designating municipalities as public investment communities (PICs). This designation is used as an eligibility criterion in several programs, primarily for economic development. It is possible that some municipalities would be newly designated as PICs under the bill, while an equal number would lose their designation. This is because the total number of PICs is set in statute. If one municipality is newly designated as a PIC as a result of the use of more recent data, one municipality will lose its designation.

The bill eliminates the original PIC grant program, not funded since FY 1993, that used the designation as its eligibility criterion. The grants could be used to capitalize regional revolving loan funds, train people for jobs, reduce property taxes for manufacturers, or finance projects that create jobs or expand businesses. Under the repealed provisions, once a municipality was designated a PIC, it remained eligible for the grant for the following four years. In practice, it appears that OPM also continued the municipality's designation as a PIC during this period.

EFFECTIVE DATE: July 1, 2004

DESIGNATION AS PICS

By law, OPM designates PICs by scoring and ranking municipalities on an eligibility index. The index is based on per capita income, tax base per capita, temporary family assistance per capita, equalized mill rate, and unemployment rate in each municipality. The 42 municipalities in the top quartile are designated as PICs.

Under current law, OPM must use estimates of town population and per capita income from the current population report series of the U.S.

Census or the decennial federal census data, whichever is more recent. The data are taken from the fiscal year three years before the grant is to be paid. Since the original PIC grants have not been made since FY 1993, the designation has been made using 1990 data.

The bill instead requires OPM to use the most recent estimate of town population by the state Department of Health or the decennial census, whichever is more recent, for the fiscal year in which the index is calculated. It similarly requires that per capita income be calculated based on the decennial census or from an annual report that is designated by the OPM secretary under regulations the bill allows him to adopt, whichever is more recent. Again, the calculation must be made for the fiscal year in which the index is calculated.

For both variables, the bill bases the decision on which data to use on what is available on July 1, rather than January 1, of the relevant year.

BACKGROUND

Implications of PIC Designation

The PIC designation is as an eligibility criterion for several programs, as described in Table 1. In addition, designation, as a PIC disqualifies a municipality from the Small Town Economic Assistance Program.

Table 1: Programs Using the PIC Designation as an Eligibility Criterion

| Program | Citation | Description | Benefit to Towns |
|--|-----------------|--|---|
| Urban Action Bonds | § 4-66c | Funds for physical development projects based on project or town criteria. | Eligibility limited to projects in PICs, distressed municipalities, and state-designated urban centers |
| Community Economic Development Program | § 8-240K-8-240n | Funds small businesses and community projects creating jobs or physically improving distressed neighborhoods | Eligibility limited to projects in PICs and targeted investment communities (i. e., 17 towns with enterprise zones) |
| Residential | § 8-286 | Loans to cover down | Eligibility limited to |

| | | | |
|--|-----------|--|--|
| Mortgage Guarantee Program | | payments on home mortgage loans financed by the Connecticut Housing Finance Authority | people purchasing homes in PICs. |
| Malpractice Insurance Purchase Program | § 19a-17m | Funds malpractice liability insurance for eligible health care professionals | Eligibility limited to professionals providing services at community health care centers and other eligible sites in PICs |
| Enterprise Corridor Zone Program | § 32-80 | State reimbursed property tax abatements and corporate business tax credits for eligible businesses building or expanding facilities and creating jobs in state-approved zones | Eligibility for zones limited to groups of three or more contiguous PICs with fewer than 60,000 people. At least half of the towns must be located along the same major highway. |

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report

Yea 17 Nay 0